CHAPTER 5
FINDINGS AND CONCLUSION

5.1 Introduction

The present study under the title, “Impact of Customer Relationship Management practices in Departmental Stores with special reference to Coimbatore City” was undertaken with a view to understand the various factors which influence the satisfaction level of the customers with regards to service rendered by the departmental stores based on the six dimensions which includes Product, Employee, Process Orientation, Environment, Post Sales Service and Customer Orientation. The primary objective of this research is to map the echelon path among the CRM variables which would enable the retailers to identify the variables that would result in customer retention. Based on the above objective the following specific objectives were framed.

1. To identify the impulsive CRM values that enables customer retention in the departmental store.
2. To explore the relationship between customer demographic pattern and CRM values.
3. To track the momentum effect of CRM values.
4. To find out the factors influencing each dimensions in the echelon path of CRM track.

The data collected through questionnaire were classified, tabulated and analysed (SPSS package) with the help of various statistical tools such as Chi-Square, Analysis of Variance, Factor Analysis, Multiple-regression, and Path Analysis on all the six dimensions. The association and relation between several variables were also found. The primary factors governing the satisfaction level in each of the dimensions and the degree of satisfaction level among the six dimensions were traced. The main findings evolved from the study are summarized in this chapter.

5.2 Findings of the study

A consolidated profile of the respondents, their shopping habits and preference are given below:

5.2.1 Profile of the respondents

The respondents were almost equally distributed among both the gender. Male respondents accounted for 47% of the total respondents while female respondents
accounted for 53% of the total most of the respondents come under the age group of 26-46 years (70%) and had their collegiate education (65%). The sample mostly represented respondents who are working in private firms (43%) and belong to the income group of below Rs. 15,000 (41%). Most the respondents were married (80%) and live in a nuclear family (74%) with 4 to 5 members (51%).

5.2.2 Shopping Behaviour of the respondents

The shopping habits and preference of the respondents like reason for preferring the store, source of awareness of the store, frequency of purchase, amount spent while shopping, time spent in shopping etc., are analysed. A consolidated result of the analysis has been present below:

- Four main reasons for choosing a particular store via, variety, reliability, price and convenience revealed that convenience (56%) as the main reason for preferring the store followed by reliability, price and variety.
- The source of awareness created by inserts (58%) was higher than other sources of awareness via., newspaper, television, radio, outdoor and direct mail. This coincides with the above result; the inserts carrying the advertisement about the store are circulated among the residents in the area of the store location. The respondents feel convenient to shop from the store located in their area.
- Most of the respondents prefer to shop once in a month (57%).
- With regards to preferred shopping hours 60 percent of the respondents preferred to shop in the evening hours (899/1500).
- More than half of the respondents (55%) 821 out of 1500 preferred to shop between half-an-hour to one hour.
- The respondents were given a list of items that were commonly available in all the departmental stores the most preferred item to be bought from departmental stores are groceries 1372 respondents (91.46%) preferred to groceries over other items. The other items preferred to be shopped from departmental store in the order of their preference are: perishables, toiletries, beverages, health and beauty products, processed food items, dairy products, confectionary items, home appliances, steel utensils, toys and baby accessories.
Most of the respondents (84%) feel that planning before shopping will avoid unnecessary spending and save time.

824 respondents (55%) spent between Rs. 500 to Rs. 1,500 while they shop from the departmental stores.

Most of the respondent preferred to shop paying cash 748 (49.86%), this is because most of the respondents are spending upto Rs. 1,500 which they prefer to pay in cash over credit.

5.2.3 Associated CRM variables

5.2.3.1 Product index

The product index association with personal variables age, marital status, number of members in family and number of male child in the family was highly significant. The association was significant in case of nature of family.

The product index association with shopping habits was highly significant in case of reliability as a reason of choosing the store, inserts and direct mail as source of awareness of the store, frequency of purchase, time and money spent in shopping, and planning before shopping. It was significant in case of television as a source of awareness of the store and mode of payment.

5.2.3.2 Employee index

The employee index association with number of female members in the family was highly significant, while it was significant in case of income level of spouse, nature of family and number of male members in the family.

The employee index association with shopping habits was highly significant in case of inserts as source of awareness of the store, frequency of purchase, amount spent in shopping and mode of payment. The association was significant in case of radio and outdoor media as source of awareness of the store.

5.2.3.3 Process Orientation index

The association with personal variables like occupational level of the respondents, educational level of spouse of the respondents, nature of family, number of members in the family, number of male and female members in the family was highly significant with regards to Process Orientation index. The association was significant in case of educational level, income, marital status, income level of spouse and number of male child in the family.
The association between shopping habits of the respondents and Process Orientation index was highly significant in all the cases except for two variables. In case of reliability as reason for choice of the store the relationship was significant whereas in case of outdoor media as source of awareness of the store the relationship was insignificant.

5.2.3.4 Environmental index

- The educational level of the respondents and the spouse of the respondents and number of members in family showed a highly significant relationship with environmental index. The number of female members in the family showed a significant relationship with the environment index.
- Convenience as choice of preferring the store, direct mail as source of awareness of the store, time spent in shopping and planning before shopping were the shopping habits that were highly significant with environmental index. Preferred time for shopping showed a significant relationship with environmental index.

5.2.3.5 Post sales service index

- Post sales service index was highly associated with educational level of the respondents and that of their spouse; it was also highly significant in case of number of members in family and number of male child in family. Gender, nature of family and number of female child in family were significantly associated with post sales service index.
- Direct mail as source of awareness of the store, preferred time of shopping, planning before shopping, amount spent while shopping and mode of payment had highly significant association with post sales service index. While price, radio, time spent in shopping showed a significant relationship with post sales service index.

5.2.3.6 Customer Orientation index

- The personal variables like marital status, nature of family, number of members in family, and number of male and female members in the family along with number of female child in the family had highly significant association with Customer Orientation index. There is a significance association between Customer Orientation index and shopping habit variables like gender, educational level and number of male child in family.
Reliability and price as choice of the store, television, inserts, radio, direct mail, preference of time for shopping, planning before shopping and mode of payment for purchase were all highly associated with Customer Orientation index, while amount spent on shopping was significantly associated with Customer Orientation index.

5.2.3.7 Overall index

- The personal variables like gender, education of respondents and their spouse, income of respondents, marital status, nature of family, number of members in family, number of female members, number of male and female child in the family showed a highly significant relationship with the overall index. Age and number of male members in the family had a significant relationship with the overall index.

- The overall index was highly significant in case of reliability as choice of the store, television, inserts, direct mail as source of awareness of the store, frequency of purchase, preferred time of shopping time and amount spent in shopping, planning before shopping, mode of payment for purchase.

5.2.4 Dispersion among the CRM Variables

To find out difference in mean scores of 31 independent variables and six dimensions and the overall index used for measuring customer satisfaction. In each of the independent variable group mean values were compared with critical difference to ascertain which group plays vital role in each of the department variables. Following is the summary of Analysis of Variance.

- The age of the respondents showed that it had significant difference between the mean score of Process Orientation index, environment index and overall index. The comparison of group mean value shows that respondents under 25 years were highly influential compared to other groups.

- The gender of the respondents had no significant difference between the mean score of six dimensions and the overall index considered for the study. On comparison of group mean value it is evident that both have equal influence on all the variables.

- There was a highly significant difference between the mean score of environment index and educational level of the respondents, the Process Orientation index, the post sales service index and the overall index also
showed a significant difference in their mean scores. The group mean value when compared revealed that those who were professionally qualified were highly influential than other groups.

- The occupational level of the respondents had a highly significant difference in the mean score with Process Orientation index; while the mean score were compared it was revealed that no group had significant influence on any of the indices considered for the study.

- The income of the respondents had highly significant difference in the mean score of the environment index and on comparison of their mean score it was evident that there was no group that had significant influence on various indices considered for the study.

- The marital status of the respondents had highly significant difference in the mean score with product index and the difference was significant in case of employee index, Process Orientation index and overall index. The respondents who are single were more influential than the married group.

- The educational level of the spouse of the respondents mean score had highest significant difference with the mean score of Process Orientation index. However, there is no single group which is influential over the other.

- The occupational level of the spouse of the respondents had no significant difference between the mean scores of six dimensions and the overall index. There is no single group which is influential over the other.

- Mean score product index, post sales service index and Customer Orientation index had significant difference with the mean score of spouse income of the respondent. The difference was significantly high in case of Process Orientation index. The comparison of mean scores reveals that there is no single group which is influential over the other.

- The analysis of variance between nature of family and various indices showed that it had highly significant difference with the mean score of product index, employee index, customer index, Customer Orientation index and overall index. The nuclear family group was highly influential over the joint family group.

- The number of members in the family had highly significant difference in their mean score of product, Process Orientation, environment, Customer Orientation and overall index. The difference was significant in case of
employee index. On comparison of group mean values it was evident that the family which has 4 or 5 members in their family were highly influential than the other groups.

- The number of male members in the family had highly significance difference with the mean score of Process Orientation index and in case of post sales services and Customer Orientation index the is a significant difference in the mean score. However, there is no single group which has influence over the others.

- Mean score of employee index, Process Orientation index, company index and overall index had highest significant difference with the mean score of number of female members in the family. There is a significant difference in the mean score of number of female members in the family and the post sales service index. The family with two female members is influential over the other groups.

- The group mean value of number of male child in the family had highest significant difference in case of product index, employee index, post sales service index, Customer Orientation index and overall index whereas the difference was significant in case of Process Orientation index. The family with one male child was influential than the other groups.

- The number of female child in the family showed that there is a highly significant difference with their mean score; however, there is no single group which is influential over other group.

- With regards to the choice of preferring the store the following was the conclusion

<table>
<thead>
<tr>
<th>Choice of store</th>
<th>Highly Significant index</th>
<th>Significant index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variety</td>
<td>Environment index</td>
<td>--</td>
</tr>
<tr>
<td>Reliability</td>
<td>Product index</td>
<td>--</td>
</tr>
<tr>
<td>Price</td>
<td>Product index</td>
<td>--</td>
</tr>
<tr>
<td>Convenience</td>
<td>Customer Orientation index</td>
<td>Product index and Process Orientation index</td>
</tr>
</tbody>
</table>

Comparison of mean score with regards to overall index reveals that there is no single group under choice of store which is influential over the other since they are
statistically on par with each other, hence it could be concluded that all the factors are equally influential.

- With regards to source of awareness of the store the following was the conclusion:

<table>
<thead>
<tr>
<th>Source of awareness</th>
<th>Highly Significant index</th>
<th>Significant index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspaper</td>
<td>Process Orientation index</td>
<td>Post sales service index</td>
</tr>
<tr>
<td>Television</td>
<td>Process Orientation index</td>
<td>Product index, Overall index</td>
</tr>
<tr>
<td>Inserts</td>
<td>Product index, Employee index, Process Orientation index</td>
<td>Post sales service index, Customer Orientation index, Overall index</td>
</tr>
<tr>
<td>Radio</td>
<td>Process Orientation index, Customer Orientation index, Overall index</td>
<td>Product index, Post sales service index</td>
</tr>
<tr>
<td>Direct Mail</td>
<td>Product index, Process Orientation index, Post sale service index, Customer Orientation index, Overall index</td>
<td>Employee index</td>
</tr>
</tbody>
</table>

The comparison of mean score of overall index reveals that in case of newspaper, outdoor as source of awareness there is only one group. In case of television, radio and direct mail as source of awareness there are two groups and in all the cases those who are not much influenced by the respective source of awareness are the influential group. In case of inserts the group which felt inserts as good source of awareness are more influential.

- With regards to frequency of purchase from the store there is a highly significant difference in the group mean value of product, employee, Process Orientation and Customer Orientation indices and it was significant in case of post sales services index. The respondents who preferred to shop once in a month were the highly influential group on an overall basis.

- The group mean value has a highly significant difference in case of preferred time for shopping and Process Orientation index, environment index and Customer Orientation index while it has a significant difference in case of product, employee and post sales service indices. The group which preferred to shop during late evening were highly influential on an overall basis.
The product index, Process Orientation index, environment index, and post sales services index had a highly significant difference in their mean score with regards to time spent in shopping by the respondents. The group which spends more than an hour in shopping were highly influential in this category.

There is a highly significant difference in the mean score of environment index and the respondents’ aspect of planning before they shop. While in other cases there is no significant difference, the respondents who do not plan before they move out for shopping is the highly influential group.

### 5.2.5 Linearity among CRM variables

Karl Pearson’s correlation coefficient was calculated to identify the highly correlated indices.

- The correlation among the index reveal that in all the case the correlation is positive and that the relation is highly significant since the obtained value is higher than the table value at 1% level.
- The finding can be summarised as follows:
  - Product index is highly correlated with Process Orientation.
  - Process Orientation is highly correlated with Customer Orientation
  - Customer Orientation and post sales service are highly inter-correlated with each other.
  - Employee index is highly correlated with post sales service index.
  - Environment index is highly correlated with post sales service index.

### 5.2.6 CRM Factors

62 scalable items under six dimensions were considered for study were factorised by using varimax rotation in order to reduce the variables. The grouped variables under each factor were renamed and used for further analysis. The following are the factors identified.

- For product index three factors were identified viz., variety and standardisation, returns and handling and features specified in the promotion catalogue and product offered by this store are same. In aggregate, these three factors accounted of 55.49% of the variance among the eight scalable items. The communality value ($h^2$) was highest for the variable features specified in the promotion catalogue and product offered by this store are same (0.749)
and it was lower in case of the variable that insists on error free sales transactions and records to be maintained by the store (0.325).

- For employee index four factors were identified they were renamed as employee awareness, non-responsiveness, efficiency and elegancy. In aggregate, these four factors accounted of 57.47% of the variance among the eleven scalable items. The communality value (h²) was highest in case of the variable where employees elegancy was questioned (0.765) and it was lower in case of the variable where employees respond time for customer’s questions was asked (0.325).

- With regards to Process Orientation index two factors were identified they were renamed as responsiveness and inconvenience. In aggregate, both the factors accounted for 51.64% of the variance among the two scalable items. The communality value (h²) was highest in case of the variable which inquired about convenience in doing one stop shopping (0.649) and is lowest in case of the variable which inquired about the overall shopping experience.

- With regards to environment index three factors were identified and they were renamed as transparency, judgemental and convenience. In aggregate, these three factors together accounted for 50.71% of factor variance among the three factors. The communality (h²) was highest in case of variable where availability for trolley and baskets were asked for (0.660) and is lowest in case of query pertaining to unattractive physical facilities in the store (0.268).

- With regards to post sales service index two factors were identified and they were renamed as store assistance and flexibility. In aggregate, both the factors together accounted for 50.05% of the variance among the nine scalable items. The communality value (h²) was highest for the variable which enquired about availability of sufficient number of counters for payment (0.671) and it was lower in case of the variable that questioned about the processing time at the payment desk (0.030).

- With regards to Customer Orientation index three factors were identified and they were renamed as satisfaction, ambiance and timeliness. In aggregate, three factors together accounted for 58.33% of the variance among the ten scalable items. The communality value (h²) was highest for the variable where timely service was inquired about (0.951) and it was lower in case of the
variable where convenience about stores operating time was enquired about (0.460).

5.2.7 Momentum effect of CRM variables

Stepwise regression analysis using forward method was performed by taking the six indices as a dependent variable and the demographic/personal variables as the independent variable.

- With regards to product index at the final stage when all the five independent variables were included together they expressed 39.80% of the variation to the depended variable.
- The environment index when considered as dependent variable and the other five indices were considered to be independent at the final stage together they expressed for 38% of the variation in the dependent variable.
- The dependent variable Process Orientation index expressed 44.60% of variations with other independent variable at the final stage.
- In the final step where all the five significant indexes are included namely Post Sales Service, Customer Orientation, Product, Process Orientation and Employee Perception Indexes, together they expressed 37.50% of the variation to the depended variable environment index.
- With regards to post sales service index at the final stage when all the five independent variables were included together they expressed 52.70% of the variation to the depended variable Post Sales Services index.

5.2.8 CRM Path

In order to identify the direct and indirect effects of independent variables and the six dimensions a path analysis was carried out.

- The path analysis for product index identifies that it has direct effect from Process Orientation index. Process Orientation index has indirect effect on product index through employee index. Employee index has indirect effect on product through Process Orientation index. Environment index has indirect effect on product index through employee index. Post sales services index has indirect effect on product index through Process Orientation index. Customer Orientation index has indirect effect on product through Process Orientation index.
The employee index has direct effect from product index. While the product index has indirect effect on employee index through Process Orientation index and Process Orientation index had indirect effect on employee index through product index. The environment index has indirect effect on employee index through post sales services index. The post sales services and Customer Orientation index has indirect effect on employee index through product index.

The path analysis for Process Orientation index shows that Customer Orientation index has direct effect on Process Orientation index. While the Customer Orientation index has indirect effect on Process Orientation index.
through product index. The product index, employee, environment and post sales services index has indirect effect on Customer Orientation index.

Exhibit 5.3
CRM path for Process Orientation index

The path analysis for environment index identifies that it has direct effect from post sales services index. Product index, employee index, Process Orientation index has indirect effect on environment index through post sales services index. The post sales also have indirect effect on environment index through Customer Orientation index and Customer Orientation index has indirect effect on environment index through post sales service index.

Exhibit 5.4
CRM path for Environment index

The environment index and Customer Orientation index has direct effect on post sales service index. Product, employee, Process Orientation and
environmental index all have indirect effect in post-sales service index through Customer Orientation index. The Customer Orientation index has indirect effect on post sales services index through environment index.

**Exhibit 5.5**
CRM path for Post sales services index

- The path analysis for Customer Orientation index shows that it has direct effect from Process Orientation index. While Customer Orientation index has indirect effect on Process Orientation index through post sales services index. The product index has indirect effect on Customer Orientation index through Process Orientation index. Employee index and environment index has indirect effect on Customer Orientation index through post sales services index. The post sales services have indirect effect on Customer Orientation index through environment index.

**Exhibit 5.6**
CRM path for Customer Orientation index
5.3 Suggestions

On the basis of findings of the present study, the following are the suggestions made for the retail shop to increase and gauge the bonding with customer by concentrating on six dimensions of Customer Relationship Variables.

- A majority of shoppers belong to middle age group of 25-46 of age and hence the retail shop must gear up to the needs, taste and expectations of this age group.
- Most of them are average income group who always value for the money spent. Hence the retail shop should take care of the quality and price at which they offer.
- For better standard of living both husband and wife are employed as stated by majority of respondents. Their needs and expectations and their wisdom of choice of merchandise should be respected in terms of quality, colour, design and space etc.,
- Majority hailed from small family setup and hence the retail should accommodate more product range catering to a nuclear family.
- Majority customer visit the store along with their family hence the retail shop should concentrate on the interest of elders and kids and should display product for all the categories of customer.
- A huge number of respondents prefer a particular shop for convenience of easy accessibility hence the location occupy a predominant role in success of a store. When a prominent location coupled with trustworthiness, right price and good combinations of brands (variety) can help retailer to be successful.
- The store has to on concentrate advertising to the probable customer around the store location; this will be more cost effective. Advertisement about the store beyond the coverage area can be avoided as people prefer to shop more on convenience basis.
- Most of the respondents preferred to shop once in a month, the store has to maintain sufficient stock of groceries and perishables preferably during the beginning of the month. The store should also concentrate on different price range as most of them spent up to Rs. 1,500 each time they shop. This will help the store to maintain their reputation.
Evening hours has been the preferred time for shopping hence the stores must arrange for proper lighting, smoothing music and a pleasant ambiance which will create a good experience for shoppers as most of the respondents tend to shop for at least an hour in the store.

The availability of sufficient cash counter has to be ensured which will help in faster check out. If customer had to wait beyond a reasonable time at this point all the benefits provided to them from entry till exist will be in vein. Hence, the store has to arrange for faster check out.

5.4 Customer Relationship Model for departmental store based on the study

Customer satisfaction is very important for stores to keep their place in the market and to satisfy their continuity in the market. In today’s market conditions customer satisfaction is an important factor. Good relation with customer is also important for customer satisfaction. Moreover quality service effects customer satisfaction positively and makes it constant. To gain new customers and to keep loyal customers, behaviours and attitudes of the staff is found to be one of the important factors for customer satisfaction. Parallel with the previous studies (Guenzi & Pelloni, 2004)\(^1\), our study indicates that huge emphasis should be placed on empathetic skills and interpersonal attitudes of the employees, training should be focused on increasing relational skills of contact employees and quality of their service would result in internal customer satisfaction that leads to external customer satisfaction which could result in long term customer loyalty. Both employees and customers take place in the purchasing and consumption process at the same time and in the same place. Employees directly affect customers’ satisfaction in retail industry (Kosovalı, Pirnar, Yağcı, & Miral, 2010)\(^2\) the direct association between employee satisfaction and the customer satisfaction has a key role in determining the customers’ loyalty.

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The next important aspect in customer satisfaction is linked to the product. The present study in line with the studies conducted by (Pilkington & Chai, 2008)\(^3\) gives importance to quality of products and services on customer satisfaction and found out that loyal customers mostly lie in category of customers who have used higher quality products. This implies that better quality of products tends to increase customers’ loyalty. Other studies done by (Bastos.A.R; Gallego.P.M, 2008)\(^4\); (Yi.Y, 1990)\(^5\); (Chai K.H; Ding.Y;Xing.Y, 2009)\(^6\); (Bloemer. J. M. M; Kasper H. D. P., 1995)\(^7\) also show the importance of product in enhancing customer satisfaction and loyalty. One may pursue the common point of these studies in undiscovered customer needs. In a setting where retailers do not depend on others to serve customers, the customer is aware to whom his/her perception is dedicated, and the direct link between, customer satisfaction and loyalty is naturally expected.

This has been proven by many researchers in both pure product e.g. (Zeithaml.V; Parasuraman.A; A.L.Berry, 1988)\(^8\); (M.K. Brady; J. J. Cronin, 2000)\(^9\) and pure service settings (e.g. (Berry. L.L; Parasuraman. A; Zeithaml.V, 1994)\(^10\). It may be easy to point out that customer satisfaction increases their loyalty, but there are also many satisfied customers who are not loyal to that particular brand. Thus, paying attention to satisfaction and loyalty at the same time is to be a critical and also a challenging task for the store. Studies undertaken by (Coyne, 1989)\(^11\); (Oliva T.A; Oliver R.L; MacMillan.I.C, 1992)\(^12\); (Fornell.C, 1992)\(^13\); (Guiltinan J. P; Paul G. W;

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Madden T. J)\textsuperscript{14}; (Sivadass.E; Baker-Prewitt J. L, 2000)\textsuperscript{15}; (Bowen.J.T; Chen.S, 2001)\textsuperscript{16}; (Silvestro.R and Low T.H., 2006)\textsuperscript{17}, show that there is a positive and meaningful relationship between customer satisfaction and increase in the customers loyalty. Findings of this research show that the quality of products offered by the retailer promotes customer satisfaction, and also there is a positive relationship between customer satisfaction and customer’ loyalty.

The third important aspect in customer satisfaction as per the study is process orientation. The relationship between customer satisfaction and process orientation should be positive, more favourable the process higher the customer satisfaction. Studies suggest that there is a positive relationship between customer perceptions and satisfaction with process orientation suggest that a positive and significant relationship exists between changes in customer satisfaction and changes in performance of a store. However, in the short run, this positive and significant relationship may be obscured by many factors but it may be significantly positive in the long run. Several other researchers also suggest that the relationship between customer satisfaction and process orientation is positive (Tornow W.W; Wiley.J.W, 1991)\textsuperscript{18}. However, (Gursoy.D; Swanger.N, 2007)\textsuperscript{19} argues that while customer satisfaction is at the very core of retail business, all the activities of the store are aimed at customer satisfaction it is also equally true that a multitude of factors could mask the true relationship between customer satisfaction and stores operational efficacy. For example, when a business decides to increase its customer satisfaction, they may end up spending a large sum of money to implement this. The amount of investment on several factors such as training, upgrades of facilities, etc., of a

business may be able to increase customer satisfaction, but this may result in lower profit leaving behind an opinion that CRM implementation as cause for reduced profit.

The implementation experience for CRM quickly derails in many stores. When senior executives redefine the business strategy for growth, they envision customer initiatives aimed at attaining increased and better sales, improved services, and perhaps more customer driven innovation in product development. However, managers also realize that success in pursuing these initiatives requires better information about customers, products and services. The “information gap” becomes the catalyst for a “CRM project”. When the CRM system goes live, the project team usually is disbanded, and the system is turned over to the “users”. While there is often an initial period of user involvement, after 6, 12 or 18 months, the intended users – sales and service staff – no longer collect and maintain the information as well as they did earlier, and go back to their own spreadsheets and personal files. Responsible managers in sales and services assume that the CRM system is working, since no one is monitoring the use of the system and no users are complaining. Senior executives assume that everything is fine with their customer facing initiative, since they receive regular reports from the data in the system that they assume, unknowingly, are accurate and correct for decision making. Thus an efficient process orientation is the key for customer satisfaction and customer loyalty.

Finally, the customer orientation, it’s a process that encompasses the customer activities performed to satisfy a need or to solve a problem these days one rarely encounters service providers who do not claim to be customer oriented. If an organisation wishes to be truly customer oriented, it must know its customer. The better it knows its customer groups, the better it can manage them. From the previous studies it could be identified that CRM is a customer-oriented management approach where information systems provide information to support operational, analytical and collaborative CRM processes and thus contribute to customer profitability and retention. While potential benefits are attractive, CRM implementation must be managed carefully to deliver results (King.S.F; Burgess.T.F, 2008).

The present study has clearly identified that customer orientation and process orientation are interlinked. The employees of the stores helps in identifying the right

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product, it’s the product that satisfies the customers expectation. When the customer has to be satisfied with right product the process of the store (process orientation) has to be customer centric (customer orientation) thus creating an “e” shaped phenomenon.

Exhibit 5.7
Echelon path among CRM Variables

Customer Relationship Management provides a strategic foundation for generating a competitive advantage for many organizations (Lemak, D. J; Reed, R, 2000)\textsuperscript{21}. There is a substantial body of empirical research that supports CRM’s role towards improving firm’s performance. However, it is also becoming clear that the “one-size-fits-all” approach that has pervaded the quality management literature is flawed (Lemak, D. J; Reed, R, 2000)\textsuperscript{22}. Our point of departure is that CRM processes work differently depending on the four indices via., Employee, Product, Process Orientation and Customer Orientation. An important contribution of this research is our framework for linking quality practices to performance. The framework allows us to theoretically identify how the four indices effects the quality of CRM practices on customer satisfaction and retention.

Employee management supports the firm’s process and customer orientation through product while process orientation directly supports customer orientation. This provides basic support for the argument that organizations that have good internal


\textsuperscript{22} ibid
quality management systems are typically in a better position to adopt a customer orientation (Michael.D.Johnson; Anders Gustafsson, 2000)\textsuperscript{23}.

We also find systematic differences between products and services. In manufacturing organizations, both employee management and process orientation have their effects on customer satisfaction through customer orientation. That is, customers are only interested in the output of the process. In retail stores, both process orientation and customer orientation have direct effects on customer satisfaction and retention. This is due to the role of the customer as a co-producer and the fact that a service is produced and consumed at the same time. The production process is simply more visible to retail customers, and it is also one in which they are directly involved. We also find broad-based support for the prediction that employee management has a greater direct effect on business performance for retail. Satisfying and creating committed employees is important for all companies, but more so for retail stores where frontline service providers are a retail company’s primary asset.

Overall, our results support the notion that customer satisfaction and subsequent profitability are a more chain-like set of events with products as intermediary. Bridging the gap between external customers and internal operations involves a translation of the voice of the customer into the voice of the company. However, for retail stores, the translation is more complex because customers are part of the business and employee management has a direct impact on business results (Dube.W.V; Lombard.K.M; Farren.K.M; Flusser; D.S.Balsamo; T.R.Flower, 1999)\textsuperscript{24}.

Another major finding of the study is that customer satisfaction did not have a greater impact on business results for post sales services index and environment index. (Bo Edvardsson; Thomas Meiren; Adrienne Schafer; Lars Witell, 2013)\textsuperscript{25} findings goes contradiction to our findings this may be due to two probable reasons. Firstly, the study done by Edvardsson, Johnson, et al. considered only two performances constructs, customer satisfaction and business results, whereas our study was carried out from six different perspectives including the concept of


customer loyalty. Secondly, our measures of customer satisfaction come from the customers themselves, while Edvardsson, Johnson, et al. used measures from the companies.

Based on the above discussion and findings of this study, the model has been formulated and presented. The model is developed based on the results of path analysis. This study has several implications for managers who are seeking to leverage their spending on CRM.

5.5 Scope for future research

An extensive effort has been put forth to make this study in-depth and comprehensive, the possibility of further research is ample and abundant. The study concentrated only on six dimensions of retail stores this can further be expanded to various other dimensions, to understand the customers in detail and suggest for further improvements in specific areas.

Studies in the same line may be conducted in other urban conglomeration and rural areas to ascertain the homogeneity or heterogeneity of the impact of consumer satisfaction and its effect on customer relationship. While this study has been done amidst consumers, a similar study may be done from the point of view of the retailers so much so, the retailers themselves can ascertain and rank these measures and apply them in their own perspective, in order to augment customer satisfaction and sales.

5.6 Conclusion

The departmental stores in Coimbatore City were found to be prospering in the recent years, providing quality service to the customers by employing newer and newer promotional tactics. The present research has brought out the various factors influencing the satisfaction level of the customers with regard to customer retention based on the six dimensions namely Product, Employee, Process Orientation, Environment, Post sales service and Customer Orientation. The study has covered the general profile and the shopping habits of the respondents, along with an enumeration of their opinion on the various dimensions that trigger satisfaction to the service provided.

From the outcome of the response analysed, from the present study a tailored CRM model has been created. Customers give priority to their expectation, if the expectation of the customers are properly identified a healthy bonding with the customer can be established. Employees of the store are the main source of informant
to the management; they see and feel the customers’ expectation while they shop, customer expects a friendly atmosphere and volunteering employees. The retailers should take keen interest on the product assortment by giving a wide option for the customers the repeated business can be ensured. The store should constantly take stock of the satisfaction level of the customers and take efforts to improve or expand the condition. The store should accommodate changes in the retail business and invoke necessary measures to sustain their business and draw more customers in this competitive scenario. With the springing up of more and more stylish modern retail departmental stores in the city, it is up to these stores to spruce up in space and style, improve quality and variety of their merchandise and spice up the service with personal care and attention.